

BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF :

JEFFREY MANDALIS COPYRIGHT MMVIII

V

) No. 08-0241

COMMONWEALTH EDISON COMPANY

Complaint as to billing/charges  
in Chicago, Illinois

Chicago, Illinois

April 28, 2008

Met pursuant to notice at 10:00 a.m.

BEFORE :

MR. JOHN RILEY, Administrative Law Judge.

APPEARANCES :

MR. JEFFREY MANDALIS  
Lock Box 805533  
Chicago, Illinois 60680  
appeared pro se;

MR. MARK L. GOLDSTEIN  
108 Wilmot Road  
Deerfield, Illinois 69915  
appeared for the Respondent.

SULLIVAN REPORTING COMPANY, by  
Teresann B. Giorgi, CSR

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2					Re-	Re-	By
3	<u>Witnesses:</u>	<u>Dir.</u>	<u>Crx.</u>	<u>dir.</u>	<u>crx.</u>		<u>Examiner</u>
4	NONE						
5							
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10		<u>E</u>	<u>X</u>	<u>H</u>	<u>I</u>	<u>B</u>	<u>I</u>
11	<u>Number</u>	<u>For</u>	<u>Identification</u>		<u>In</u>	<u>Evidence</u>	
12	NONE						
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1 JUDGE RILEY: Pursuant to the direction of  
2 the Illinois Commerce Commission, I call  
3 Docket 08-0241. This is a complaint by Jeffrey  
4 Mandalis Copyright MMVIII versus Commonwealth Edison  
5 Company, complaint as to billing/charges in Chicago,  
6 Illinois.

7 Mr. Mandalis --

8 MR. MANDALIS: Good morning.

9 JUDGE RILEY: -- good morning. You are  
10 appearing without counsel at this point, is that  
11 correct?

12 MR. MANDALIS: Yes, sir.

13 JUDGE RILEY: Be advised that you can retain  
14 counsel anytime you so choose during the pendency of  
15 this proceeding; however, counsel will have to  
16 accept the record as he finds it.

17 MR. MANDALIS: Thank you.

18 JUDGE RILEY: And, Mr. Goldstein, you are here  
19 on behalf of ComEd?

20 MR. GOLDSTEIN: That's correct.

21 Mark L. Goldstein, 108 Wilmot Road,  
22 Suite 330, Deerfield, Illinois 60015. My telephone

1 number is 847-580-5480.

2 I have with me today John Parise of  
3 ComEd.

4 JUDGE RILEY: Thank you.

5 And, Mr. Mandalis, beginning with you,  
6 I'm going to have to confess, quite frankly, I did  
7 not understand your complaint, the way it was  
8 written.

9 Could you, in layman's terms, explain  
10 to us just what is the -- what is it you're  
11 complaining about?

12 MR. MANDALIS: No problem.

13 Well, I was sent a bill. So I drafted  
14 a credit and remitted it --

15 JUDGE RILEY: That's what I don't understand.  
16 What do you mean, you "drafted a credit"?

17 MR. MANDALIS: Did you bring a copy?

18 JUDGE RILEY: Did you cut a check?

19 MR. MANDALIS: Did you bring it by any chance?

20 MR. PARISE: Yes.

21 JUDGE RILEY: You drafted a credit.

22 MR. MANDALIS: No, just a personal credit from

1 me. It's not a check or an obligation of a Federal  
2 Reserve Bank, and it's not good for the payment of  
3 taxes.

4 MR. PARISE: Here it is (indicating).

5 MR. MANDALIS: So, naturally, if somebody owed  
6 me money, I would be willing to accept that instead  
7 of the money.

8 I think the dispute arises where ComEd  
9 doesn't want to accept it for value.

10 JUDGE RILEY: What value does it have? I don't  
11 understand this process.

12 How does that pay your bill to ComEd,  
13 that's what I don't understand.

14 MR. MANDALIS: That's a very good question, and  
15 it's an issue that I'm sure hasn't come up before.

16 Essentially, ComEd used my credit when  
17 they accrued revenue -- well, actually, I'd have to  
18 check some facts on that.

19 Is ComEd willing to admit that they're  
20 on the accrual basis of accounting and not the cash  
21 basis of accounting?

22 MR. GOLDSTEIN: I have no idea what the basis

1 is, Mr. Mandalis. I don't think it's really  
2 relevant.

3 MR. MANDALIS: Well, the relevancy of it would  
4 be that if ComEd is on the accrual basis of  
5 accounting, as is most likely, then they accrued  
6 revenue and credited the revenue account when they  
7 received -- when they billed my account and not when  
8 they received the money. So in order to do that,  
9 they had to use my equity, my credit, for value.  
10 And now they're trying to say that my credit is not  
11 value.

12 It's kind of a very simple issue.

13 It's whether or not my credit has to  
14 be accepted for value or if they can choose what  
15 method of payment they want.

16 MR. GOLDSTEIN: Do you have a credit card,  
17 Mr. Mandalis?

18 MR. MANDALIS: Pardon?

19 MR. GOLDSTEIN: Do you have a credit card?

20 MR. MANDALIS: No.

21 MR. GOLDSTEIN: Oh.

22 MR. MANDALIS: Okay.

1       MR. GOLDSTEIN:  When you go into a restaurant,  
2 do you give them one of these --

3       MR. MANDALIS:  Does the restaurant use my equity  
4 to accrue revenue?  Or do they accrue revenue when  
5 they receive the money?

6       MR. GOLDSTEIN:  I don't know what they do.  I'm  
7 just asking you a question.

8                   Do you hand them one of these when you  
9 pay the bill (indicating)?

10       MR. MANDALIS:  Well, if they wanted to use my  
11 credit, I would, theoretically.

12       JUDGE RILEY:  How is ComEd using your credit?

13       MR. MANDALIS:  When they accrue the revenue.

14       JUDGE RILEY:  How do they accrue the revenue?  
15 What revenue do they accrue?

16       MR. MANDALIS:  Well, this is a question I may  
17 have some difficulty answering.  Perhaps Mr. Parise  
18 can help.

19                   Essentially, as far as I understand  
20 it, ComEd will debit accounts receivable and credit  
21 revenue when the bill is issued.  When they receive  
22 payment, they will debit cash and then credit

1 accounts receivable.

2 Am I correct in understanding that as  
3 your typical accounting method for billing  
4 receivables?

5 MR. PARISE: Our typical method would be, you  
6 would remit a check, credit card, and whatever  
7 you --

8 MR. MANDALIS: A check for what?

9 MR. PARISE: A check for payment.

10 MR. MANDALIS: So you have an accounts  
11 receivable?

12 MR. PARISE: And then we would debit another  
13 account --

14 MR. MANDALIS: In payment of what, though?

15 MR. PARISE: I'm confused.

16 MR. MANDALIS: In payment of what account? What  
17 account on the books of ComEd?

18 MR. PARISE: Let me walk you through the payment  
19 process.

20 Somebody gets a bill from ComEd. They  
21 look at the bill, it's \$100. They will either write  
22 a check for \$100 or use a credit card to pay the



1 \$100. And if they write the check, they write the  
2 check out and there's an account that we debit and  
3 we credit their billing account and debit their  
4 checking account. It's as simple and  
5 straightforward as that.

6 Or you can come in with currency,  
7 United States currency, that is, and pay a bill.

8 JUDGE RILEY: Well, you're saying that somehow  
9 ComEd's accounting procedures enable them to enrich  
10 themselves at your expense?

11 MR. MANDALIS: Well, what I'm saying is that  
12 they use my credit for value when they accrue the  
13 revenue, when they debit accounts receivable.  
14 They're holding that accounts receivable on their  
15 balance sheet as an asset. Then when I send them  
16 the exact same thing, they try to say my credit  
17 isn't for value.

18 So that's all I'm saying, is that --  
19 you know, it's like, do they want silver dollars? I  
20 brought one here, by the way (indicating).

21 JUDGE RILEY: Okay.

22 MR. GOLDSTEIN: So, Mr. Mandalis, if every ComEd

1 customer, all 3.6 million customers, operated in the  
2 same manner that you did, ComEd would be providing  
3 electric service to all these customers and there  
4 would be no flow of any kind of money into the  
5 Company.

6 MR. MANDALIS: Well, this is where I have to ask  
7 a question as, what do you mean by --

8 MR. GOLDSTEIN: Wouldn't that be right?

9 If every customer operated in the same  
10 manner you did, wouldn't that be correct? There  
11 would be no flow of any -- there would be no revenue  
12 stream into the Company at all. And so, in effect,  
13 ComEd would be providing electric service to over  
14 3.6 million customers for free. Because that's what  
15 you're doing. You want free electric service, isn't  
16 it -- isn't that what we're talking about?

17 MR. MANDALIS: No, I don't want free electric  
18 service. I offered a credit.

19 MR. GOLDSTEIN: Well, when are you going to pay  
20 the bill?

21 MR. MANDALIS: I offered a credit.

22 MR. GOLDSTEIN: When are you going to pay the

1 bill?

2 MR. MANDALIS: I did do what I'm lawfully  
3 obligated to do.

4 Does ComEd want silver dollars or gold  
5 coins? Is that what ComEd's demanding?

6 MR. GOLDSTEIN: It --

7 MR. PARISE: We would accept that.

8 MR. GOLDSTEIN: We'll accept that.

9 MR. MANDALIS: Of course they'd accept that.  
10 But don't you think that would be a little steep?

11 JUDGE RILEY: Well, not if it was for the value  
12 of the bill.

13 MR. GOLDSTEIN: If it adds up to the amount of  
14 your bill, I think it would be perfectly fine.

15 MR. MANDALIS: I'm sure it would be. I'm sure  
16 ComEd would be very happy to accept silver and gold  
17 legal tender coins at par value.

18 JUDGE RILEY: You're not disputing that you owe  
19 a particular sum of money to ComEd, is that correct?

20 MR. MANDALIS: Not at all. I'm just disputing  
21 that --

22 JUDGE RILEY: Just the method of payment.

1           MR. MANDALIS: Absolutely.

2                       I'm saying that I can pay with my own  
3 credit and not the credit of a third party. They  
4 want the credit of a Federal Reserve Bank because a  
5 check -- I mean, you'll agree that a check from a  
6 Federal Reserve Bank or a cashier's check is not  
7 actual dollars, they're dollar-denominated credits,  
8 that when ComEd deposits that, they don't get  
9 dollars for it, they get credit on account  
10 denominated in dollars.

11          MR. PARISE: Well, the way that works, though,  
12 is that when you write a -- you get a certified  
13 check, you're going to give the bank money, cash or  
14 another check, to get the certified check --

15          MR. MANDALIS: Oh, I'm aware of that process.

16          MR. PARISE: Let me finish, please, sir.

17          JUDGE RILEY: Yeah, let him finish.

18          MR. PARISE: They're going to take that money  
19 that they've (sic) paid for that certified check and  
20 they're going to debit an account.

21                       When we talked on the telephone, I  
22 said, I'll accept this document that you gave me

1 here, I will accept it, but give me an account I can  
2 debit. You wouldn't do that.

3 MR. MANDALIS: I'm happy to let you -- like I  
4 told you on the phone, you can get credit in the  
5 bank of Jeffrey Mandalis.

6 However, I don't see why I'm obligated  
7 to provide the credit of a third party. In this  
8 instance would be, you know, a member of the Federal  
9 Reserve System, like Chase Bank or something.

10 MR. GOLDSTEIN: Do you own that condominium or  
11 do you pay rent or -- do you own the condominium?

12 MR. MANDALIS: No, sir. I'm a renter.

13 MR. GOLDSTEIN: So you pay your landlord in the  
14 same manner?

15 MR. MANDALIS: Well, my landlord doesn't accrue  
16 the revenue until he receives the payment from me.  
17 And he's nice enough to accept Federal Reserve notes  
18 instead of demanding gold coins, because otherwise  
19 it would be pretty steep.

20 JUDGE RILEY: Then this goes back to --

21 MR. GOLDSTEIN: We can receive Federal Reserve  
22 notes from you in payment.

1       MR. MANDALIS: Well, I'm sure you would, but I'm  
2 not obligated to do that. I can make payment in any  
3 form I wish, so long as it's for value.

4               I'm saying that the credit I sent has  
5 a par value equal to what I owe. And ComEd has  
6 agreed to accept that by using my credit to accrue  
7 revenue. If ComEd doesn't want to use my credit to  
8 accrue revenue, if they want Federal Reserve notes,  
9 they can bill "Occupant." I'm happy to remit a  
10 check or a Federal Reserve note or some other type  
11 of payment that would be more acceptable to ComEd.  
12 But ComEd wants to use the credit of their customers  
13 to accrue revenue before they actually get any  
14 money.

15              It's a very common bookkeeping  
16 practice and I, personally, have strong feelings  
17 about it.

18              So this is why I will give credit  
19 where credit is due. And that's all I've done.

20       JUDGE RILEY: ComEd accrues revenue by using  
21 customer credit?

22       MR. MANDALIS: Yes, sir, when they issue the

1 bill -- as far as I understand. This would be a  
2 standard bookkeeping practice. I don't know for  
3 sure. I guess this would be hearsay, but as far as  
4 I understand it, and Mr. Parise can clarify this, is  
5 that when the meter runs, they issue a bill. At the  
6 time the bill is issued, they debit accounts  
7 receivable and credit revenue.

8                   After they receive -- then, you know,  
9 they send the bill off to the customer. The  
10 customer sends back in a check or liquor and beads,  
11 or however the customer pays for it that's  
12 acceptable to ComEd, then they have to credit the  
13 accounts receivable, bringing the balance of the  
14 account receivable to zero, and then they debit  
15 cash.

16                   Would I be correct in understanding  
17 that --

18           MR. PARISE: No.

19           MR. MANDALIS: -- ComEd operates under accrual  
20 basis of accounting?

21           MR. PARISE: No.

22                   We do not accrue the money until it

1 goes into a bad debt stage, where we're going to  
2 lose the money.

3 MR. MANDALIS: Okay. But I'm not saying the  
4 money. I'm saying the revenue account. ComEd does  
5 not accrue the revenue account when the bill is  
6 issued.

7 MR. PARISE: I don't know.

8 I do know one thing. You can't use  
9 this to go anywhere and pay a bill.

10 I told you on the telephone that -- I  
11 think you're a stockbroker, is that correct?

12 MR. MANDALIS: Commodities broker.

13 MR. PARISE: I told you I wanted to buy some  
14 stock and I'll write you something like you wrote  
15 for me here, and you couldn't do that.

16 MR. MANDALIS: Well, did I use your credit to  
17 accrue revenue?

18 Like, could you sell my receivable to  
19 a third party debt collector?

20 MR. PARISE: Yeah.

21 MR. MANDALIS: Is it an asset which can be sold?

22 MR. PARISE: Yes.



1       MR. MANDALIS:   So you are holding it for value  
2 then.

3       MR. PARISE:   Only when it charges off.  
4                       Only when you don't live there  
5 anymore.

6       MR. MANDALIS:   But it's on your books as an  
7 asset.  You list it as an account receivable on your  
8 books as an asset.

9       MR. PARISE:   You know, we can go on and on like  
10 this, Mr. Mandalis.

11       MR. MANDALIS:   Well, it's a yes or no question.  
12                       Is it on the books as an asset?

13       MR. PARISE:   I don't know.

14       MR. MANDALIS:   Well, is there any way that we  
15 can find that out?

16       MR. GOLDSTEIN:   That's up to you.  
17                       But I do know that --

18       MR. MANDALIS:   Well, I was hoping, with this  
19 evidentiary hearing, we could just get through that  
20 instead of having to go to interrogatories and that  
21 kind of time-wasting stuff, but. . .

22       MR. GOLDSTEIN:   I do know, Mr. Mandalis, that

1 the Company is not going to accept beads, liquor,  
2 wampum, or any other manner other than what the  
3 Company said they would accept in order -- for the  
4 payment of your bill. And if you don't pay your  
5 bill, you will be terminated from service.

6 JUDGE RILEY: All right. Let me interrupt here.

7 How does ComEd use customer credit to  
8 accrue revenue? I'm still not clear on that.

9 MR. MANDALIS: Well, it's why ComEd doesn't bill  
10 "Occupant." They need to have the credit of their  
11 customers. When they sign up a customer, they use  
12 that credit. That's what gives them the ability to  
13 accrue the revenue. Without a named bill, they  
14 can't debit accounts receivable. It would just  
15 be -- they would just be waiting on the money. They  
16 can't do it until they've actually received the  
17 cash.

18 JUDGE RILEY: Right.

19 MR. MANDALIS: An example of accounts receivable  
20 accruing would be, like, Boeing. Boeing will have a  
21 plane delivered five years down the road, but  
22 they'll accrue the revenue today, if they get the

1 contract today. It's a very similar situation.

2 ComEd, and other utilities like it,  
3 use the credit of their customers to accrue revenue.

4 JUDGE RILEY: So in other words, what you're  
5 saying is, that as soon as ComEd sends out a bill,  
6 they accrue revenue.

7 MR. MANDALIS: That would be my understanding.  
8 I would hope that ComEd would be able to clarify  
9 that question for us, for the record.

10 JUDGE RILEY: Well, speak to me, because it's my  
11 understanding of accounts now.

12 ComEd sends out a bill to you for  
13 electricity that you used in your apartment.

14 MR. MANDALIS: Yes.

15 JUDGE RILEY: And when you receive that bill,  
16 you're saying that ComEd has accrued revenue?

17 MR. MANDALIS: By debiting accounts receivable  
18 and crediting revenue. Absolutely.

19 JUDGE RILEY: All right.

20 MR. MANDALIS: I wish Mr. Parise can clarify for  
21 us what the journal entries are that ComEd makes at  
22 that time --

1 JUDGE RILEY: So what you're saying -- well, he  
2 may not know.

3 When you send back something like  
4 that, what you're saying is that, Okay, you accept  
5 my credit.

6 MR. MANDALIS: If ComEd owed me money, they  
7 would credit me, right? I'm just crediting them.  
8 It's the exact same thing.

9 JUDGE RILEY: Don't think you can do that,  
10 but. . .

11 MR. PARISE: You know, this is --

12 MR. MANDALIS: I understand this seems  
13 facetious. I understand that nobody else has done  
14 this before. I understand Mr. Goldstein's point  
15 that, you know, maybe things wouldn't be working  
16 right if 3.6 million customers for ComEd just  
17 starting drafting credits and sending them in in  
18 remittance of their electric bills.

19 Then, again, I'll also say that our  
20 current financial system where nonborrowed reserves  
21 have gone from 40 billion to zero -- and we're  
22 facing a major deflationary collapse. And

1 repatriation of the dollar isn't working too well,  
2 either.

3                   So that's where I would say that we  
4 need to go back to only using gold and silver or  
5 gold- and silver-denominated credits for money  
6 instead of this other stuff, but that wouldn't  
7 really be relevant to this hearing.

8       JUDGE RILEY: In this forum, that's right.

9       MR. GOLDSTEIN: And that's why if you had enough  
10 of those silver dollars today to make payment --

11       MR. MANDALIS: Yeah, the thing is, these cost  
12 about \$20 --

13       THE REPORTER: Excuse me --

14       JUDGE RILEY: Let's go off the record.

15                   Off the record.

16                               (Whereupon, a discussion  
17                               was had off the record.)

18       JUDGE RILEY: Mr. Goldstein, finish your  
19 remarks.

20       MR. GOLDSTEIN: If you had enough of those  
21 silver dollars today to pay your electric bill in  
22 full, we would accept those silver dollars.

1 JUDGE RILEY: Mr. Mandalis?

2 MR. MANDALIS: So ComEd would be willing to

3 accept silver dollars or a check from a Federal

4 Reserve Bank, which isn't circulating at a market

5 value equal to its par value? Because I can't take

6 a cashier's check from Chase Bank and go buy

7 silver dollars one for one. It takes about

8 20 dollar-denominated credits from Chase Bank in

9 order to get a hold of one actual silver dollar.

10 JUDGE RILEY: How is that relevant to anything

11 here?

12 MR. MANDALIS: Well, the relevancy is that

13 Federal Reserve banks don't pay you with money. A

14 check from a Federal Reserve Bank is not money.

15 It's a money-denominated credit.

16 JUDGE RILEY: All right.

17 MR. MANDALIS: And that's the issue here, is

18 they want a money denominated credit from a third

19 party, when all they're entitled to is a money

20 denominated credit from me.

21 JUDGE RILEY: I don't think ComEd is going to

22 agree with you on that one.

1       MR. MANDALIS: Yeah, I wouldn't expect them to,  
2 either.

3       MR. PARISE: The bottom line is, we put up with  
4 this for a long time. This is nonsense. You're  
5 costing the Company a lot of money. You're costing  
6 the ratepayers money. You're costing the State of  
7 Illinois money.

8                   And what it comes down to, I'm going  
9 to present you with a bill today, okay? This is  
10 what you owe (indicating).

11       MR. MANDALIS: Thank you.

12       MR. PARISE: You're welcome.

13                   It's \$1399.15. I'm going to put you  
14 on notice. If this isn't paid in cash, a check,  
15 certified check or any other accepted method of  
16 payment, we're going to cut you off on May 12th.

17                   Is that clear?

18       MR. MANDALIS: Well, is that an order?

19       MR. PARISE: Yes.

20       MR. MANDALIS: Okay.

21       JUDGE RILEY: In other words, that's what ComEd  
22 says they are going to do, that if the bill isn't

1 paid by May 12th, they're going to cut you off.

2                   That brings up another issue, but I'm  
3 not going to get into that at this time.

4                   Obviously, we've reached an impasse  
5 here. I don't see either party budging from their  
6 position.

7                   You're not going to change your  
8 position, is that correct?

9       MR. MANDALIS: Not at this time. No.

10       JUDGE RILEY: Okay. Then our next move is to  
11 set this matter for hearing, that's the next step.  
12 And, generally, I set these things, roughly, 30 days  
13 out from where we are right now because the  
14 calendars are a little bit clearer, which brings us  
15 right around the Memorial Day weekend. Let's do it  
16 afterwards.

17                   Well, maybe not. Look at Thursday,  
18 May 22nd. It's only about 24 days.

19       MR. MANDALIS: And I can submit interrogatories  
20 before that time?

21       JUDGE RILEY: I'm not sure what you mean,  
22 "interrogatories"? I don't believe we have any



1 procedure in our rules for interrogatories.

2 MR. GOLDSTEIN: Well, if he provides written  
3 discovery to me, we'll attempt to respond to that  
4 discovery --

5 JUDGE RILEY: Okay.

6 MR. GOLDSTEIN: -- in relatively short order.

7 MR. MANDALIS: I have some very simple discovery  
8 requests. It will be yes or no questions. It  
9 shouldn't be complicated.

10 JUDGE RILEY: What about May 22nd?

11 MR. GOLDSTEIN: That's fine, Judge.

12 I guess the problem we still have is  
13 that we, quite frankly, don't understand his  
14 complaint. And I think that based upon the  
15 inquiries that you've made this morning, you don't  
16 fully understand it, either.

17 JUDGE RILEY: Well, the thing is, I'm going to  
18 go back through the transcript. I do think I have a  
19 handle on what he's -- on what it is he's saying.

20 MR. GOLDSTEIN: He's trying to avoid the payment  
21 of the bills.

22 JUDGE RILEY: Well, and that's why we're going

1 to go to hearing.

2 MR. GOLDSTEIN: That's what it boils down to.

3 JUDGE RILEY: Okay. That's why we're going to  
4 go to hearing.

5 I don't see anything more that we can  
6 do right now. We can sit here and argue and get  
7 explanations back and forth for the next couple of  
8 hours, and I don't think it's going to make a bit of  
9 difference. We're at an impasse. It's plainly  
10 clear. And the next step is to go to hearing.

11 So I'm going to set May 22nd at  
12 10:00 a.m., that's a Thursday, for hearing in this  
13 matter, and we'll take it from there.

14 And, again, Mr. Mandalis, if you want  
15 to just submit your -- submit the interrogatories to  
16 Mr. Goldstein.

17 Mr. Goldstein, you indicated you'll do  
18 your best to answer them --

19 MR. GOLDSTEIN: Absolutely.

20 JUDGE RILEY: -- fully and completely.

21 Okay. Will you have any discovery for  
22 Mr. Mandalis, do you think?

1       MR. GOLDSTEIN: I don't know at this time.

2       JUDGE RILEY: Okay.

3       MR. GOLDSTEIN: If I do, it will go out this

4 week.

5       JUDGE RILEY: Okay.

6       MR. MANDALIS: Okay. Just to be clear on a

7 couple of issues.

8                   ComEd did receive the credit I sent.

9 They showed us a copy of it, even --

10       JUDGE RILEY: It's understood.

11       MR. MANDALIS: -- though they don't have the

12 original in the courtroom. And it was equal in par

13 value to the bill that was issued to me at the time.

14 Although ComEd may be correct in their statement

15 that the market value of my credit may not be

16 circulating at par value.

17       MR. GOLDSTEIN: It's not on par with anything.

18       JUDGE RILEY: All right, please.

19       MR. GOLDSTEIN: Let's be clear about that.

20       MR. PARISE: Your Honor, for the record, though,

21 you can't go anywhere in our society, write dollars

22 on an envelope without an account number, and expect

1 somebody to give you a service, a product, anything.

2 JUDGE RILEY: Okay.

3 MR. PARISE: That's why this is nonsense.

4 JUDGE RILEY: All right.

5 MR. MANDALIS: Well, that's what banks do.

6 JUDGE RILEY: But we still have to go to hearing

7 on it, that's the problem. That's why I think --

8 well, as I said, we can discuss this for the rest of

9 the day and get nowhere.

10 MR. MANDALIS: But are you gentlemen telling me

11 seriously that if a bank has a check endorsed in due

12 course to me, that I can tell that bank, No, I don't

13 want Federal Reserve notes. I don't want the credit

14 of a Federal Reserve Bank. I want gold coins.

15 Is that bank going to give me gold

16 coins at par value? Are they going to give me one

17 ounce of gold if they have a \$50 check endorsed in

18 due course to me?

19 MR. GOLDSTEIN: Yeah.

20 MR. MANDALIS: They will.

21 MR. GOLDSTEIN: But, Mr. Mandalis --

22 MR. MANDALIS: Where do you bank? I've got to

1 find that --

2 JUDGE RILEY: Let's go off the record.

3 Off the record.

4 (Whereupon, a discussion

5 was had off the record.)

6 JUDGE RILEY: Back on the record.

7 Okay. We are recessed until

8 May 22nd at 10:00 a.m.

9 Thank you. And the parties can talk

10 all they want now.

11 MR. MANDALIS: I appreciate it.

12 (Whereupon, the above-entitled

13 matter was continued to

14 May 22, 2008, at 10:00 a.m.)

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